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Duncan Seeking Cut in Tax Rate

*Planning Official's Ouster Is Suggested
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Montgomery County Executive Douglas M. Duncan proposed a major reduction in property tax rates last night and suggested the Council consider whether to replace the top planning official involved in the controversy over building violations in Clarksburg.

In his final state of the county address, which comes as he is seeking the Democratic nomination for governor, Duncan offered defense of his own development policies and a critical assessment of the county's planning department.

"No one was more outraged than I was at the situation that developed" in Clarksburg, Duncan said. "At its core, this is an issue of a developer breaking faith with a community and a planning agency failing to enforce its own rules and get the job done for the people all here to serve."

He did not mention Planning Board Chairman Derick Berlage but said that the council "must decide whether the right leadership is in place to move the agency forward."

Berlage said he felt confident that any review would "conclude the right leadership is in place." Council President George L. Leventis (At Large) would not comment.

Duncan's call for a 9 1/2-cent cut would provide about \$400 in relief to the owner of a \$400,000 home. But given the spiraling home prices in Montgomery, many residents could still see their tax bills increase slightly.

Duncan's speech, his 11th state of the county address since taking office in 1994, recounted his efforts to invest in public education, redevelop downtown Silver Spring, expand access to health care, create one of the nation's largest biotechnology corridors and increase the supply of affordable housing.

But his critics said his speech was a hollow attempt to reposition himself before next year's election. "I guess he got religion on slowing down growth and cutting the tax rate," said council member Phil Andrews (D-Gaithersburg-Rockville).

Much of the 30-minute speech, including concerning the tax cut, appeared to be aimed at shoring up support in Montgomery, where polls show his Democratic opponent, Baltimore Mayor Martin J. O'Malley, making inroads. Although most of the county's elected officials stand with Duncan, some community activists have endorsed O'Malley, citing Duncan's relationships with developers, who are underwriting his campaign.

That perception intensified after this year's discovery that the developers and builders at Clarksburg Town Center have built some buildings too tall and too close to the street and have failed to provide the promised retail, open-space and recreational amenities. The planning department also determined that the developer improperly changed lot sizes.

Duncan announced last night that he wants to appoint an ombudsman to handle Clarksburg issues. He also is suspending construction of any market-rate units until the town center developer, Newland Communities, completes the required number of affordable units.

And he related that the Department of Permitting Services has discovered another development, Clarksburg Village, where it appears lot sizes were changed without county approval. Duncan ordered Michael Harris Development Inc. and Craftmark Homes to halt construction there until the problem is addressed.

"The rules are the rules, and they apply to everyone," Duncan said.

Amy Presley, one of the Clarksburg residents who exposed the lapses in the county's planning process, was not impressed. She said Duncan's remarks "laughable."

"Mr. Duncan had the opportunity to ensure we got what was promised a long time ago, but due to the climate he fostered, we didn't get what was promised," Presley said.

Berlage noted that he and some council members tried for months to get Duncan to appoint a high-level official to oversee Clarksburg issues.

As Planning Board chairman, Berlage oversees the Department of Park and Planning, which works with developers on site plans. In the Clarksburg case, a planner stepped down after acknowledging that she had changed the site plan to reflect later changes made by the developer. A recent county audit faulted the agency for a culture of sloppiness and arrogance.

The tax-rate proposal would help address growing angst over rising property tax bills, with the latest home assessments to arrive in January.

Since Duncan took office, Montgomery's budget has about doubled, from \$1.8 billion in 1994 to \$3.6 billion today. During that time, the county's population has increased 17 percent.

Much of that spending has gone toward schools and labor contracts. To pay for those, Duncan has, for the past three years, proposed exceeding a voter-imposed cap on what the county can collect from property taxes.

Last night, Duncan announced that he plans to submit a 2007 budget proposal in the spring that stays within that tax cap, which would necessitate the 91/2-cent cut on the tax rate on all homes, reducing it from \$1.02 on every \$100 of assessed value to 921/5 cents. The proposal won support from Leventhal, but it comes as the county's coffers are flush with cash. The cost of the tax cut is estimated at \$10 million.

According to a report given to the council yesterday, the county is projected to have a \$91.6 million surplus in its 2006 budget. In 2007, which begins in July, the county could have \$370 million more in revenue than in fiscal 2006.

Duncan said last night that he plans to spend some of that money on school construction and efforts to reduce class sizes. He also plans to support school-based health clinics, expand assistance for students who need language skills and bolster gang prevention efforts.

On growth issues, Duncan said the development that has come in the past 11 years has helped fulfill the vision county planners decades ago to concentrate development around Metro stations and major highways, such as Interstate 270, while protecting the nationally acclaimed agriculture preserve.

The result, he noted, is new communities, including Kentlands and Lakelands in Gaithersburg, and redeveloped neighborhoods in Spring and Wheaton. Such places as Laytonsville, Boyds and Barnesville have remain relatively rural.

"When I took office, I realized we had the historic opportunity to go beyond just restricting sprawl development," Duncan said. "We had a chance to prevent it forever."

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